

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2021

Docket No. ACR2021

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-29 OF CHAIRMAN'S INFORMATION REQUEST NO. 1**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 1, issued on January 10, 2022. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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1. The following concerns self-service kiosks (SSKs).¹
- a. Please provide the total number of SSKs in operation at the end of FY 2021.
 - b. Please provide the number of SSKs that were in operation at the end of FY 2021 by Retail and Delivery Operations area: Western-Pacific, Southern, Central, and Atlantic.
 - c. Please describe any formal plan(s) for the addition or removal of SSKs during FY 2022.

RESPONSE:

SSK by Area:

Area	SSKs (FY21)
Atlantic	691
Central	559
Southern	668
West-Pac	851
National	2,769

The retail team is in the process of evaluating SSK locations to ensure equipment is evenly distributed to have the greatest impact on Postal Service customer's retail needs.

¹ SSKs were previously referred to as Automated Postal Centers.

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- 2.** Please provide the proportion of collection boxes for which the last mail pickup time is:
- a. Midnight to 11:59 a.m.
 - b. Noon to 2:59 p.m.
 - c. 3:00 to 4:59 p.m.
 - d. 5:00 p.m. to 6:59 p.m.
 - e. 7:00 p.m. to 11:59 p.m.
 - f. For each response in question 2.a. through 2.e., please provide the proportions for Monday-Friday and Saturday-Sunday separately, if applicable.

RESPONSE:

a.	Midnight to 11:59 a.m.	M-F – 32.39%	Sat – 52.38%
b.	Noon to 2:59 p.m.	M-F – 26.83%	Sat – 40.48%
c.	3:00 p.m. to 4:59 p.m.	M-F – 26.85%	Sat – 4.76%
d.	5:00 p.m. to 6:59 p.m.	M-F – 13.71%	Sat – 2.38%
e.	7:00 p.m. to 11:59 p.m.	M-F – 0.22%	Sat – 0.00%
f.	Shown above.		

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- 3.** Please provide a table detailing the following information regarding Village Post Offices (VPOs):
- a. The number of VPOs at the beginning of FY 2021.
 - b. The number of VPOs opened in FY 2021.
 - c. The number of VPOs closed in FY 2021.
 - d. The number of VPOs at the end of FY 2021.
 - e. If the Postal Service's responses to this question differ from the numbers provided in response to question 6, below, please reconcile any discrepancies.

RESPONSE:

- a.) 441
- b.) No new VPOs were opened in FY 2021
- c.) 27
- d.) 414
- e.) There are no discrepancies with the numbers provided in response to question 6 below.

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4. Please provide a table detailing the following information regarding community Post Offices (CPOs):
- a. The number of CPOs at the beginning of FY 2021.
 - b. The number of CPOs opened in FY 2021.
 - c. The number of CPOs closed in FY 2021.
 - d. The number of CPOs at the end of FY 2021.
 - e. If the Postal Service's responses to this question differ from the numbers provided in response to question 6, below, please reconcile any discrepancies.

RESPONSE:

- a) 441
- b) 7
- c) 29
- d) 419
- e) There are no discrepancies with the numbers provided in response to question 6 below.

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- 5.** Please provide a table detailing the following information regarding contract postal units (CPUs):
- a. The number of CPUs at the beginning of FY 2021.
 - b. The number of CPUs opened in FY 2021.
 - c. The number of CPUs closed in FY 2021.
 - d. The number of CPUs at the end of FY 2021.
 - e. If the Postal Service's responses to this question differ from the numbers provided in response to question 6, below, please reconcile any discrepancies.

RESPONSE:

- a) 1,914
- b) 8
- c) 102
- d) 1820
- e) There are no discrepancies with the numbers provided in response to question 6 below.

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6. Please fill in the table below in accordance with the Postal Service's records for FY 2019, FY 2020, and FY 2021. If the numbers provided in the table differ from those listed in the FY 2020 *Annual Compliance Determination*, FY 2021 ACR, Library Reference USPS-FY21-33, FY 2021 Annual Report to Congress, or responses to this Chairman's Information Request, please reconcile any discrepancies among these sources.²

Facility Type	FY 2019	FY 2020	FY 2021
Post Offices			
Classified Stations & Branches and Carrier Annexes			
Total Postal-Managed			
Contract Postal Units			
Village Post Offices			
Community Post Offices			
Total Non-Postal-Managed			
Total Retail Facilities			

RESPONSE:

Facility Type	FY 2019	FY 2020	FY 2021
Post Offices	26,362	26,361	26,361
Classified Stations & Branches and Carrier Annexes	4,960	4,968	4,885
Total Postal-Managed	31,322	31,329	31,246
Contract Postal Units	2,022	1,914	1,820
Village Post Offices	542	442	414
Community Post Offices	456	441	419
Total Non-Postal-Managed	3,020	2,797	2,653
Total Retail Facilities	34,342	34,126	33,899

² See Docket No. ACR2020, *Annual Compliance Determination*, March 29, 2021, at 211, Table V-13; FY 2021 ACR at 78; Library Reference USPS-FY21-33, December 29, 2021; see Library Reference USPS-FY21-17, December 29, 2021, folder "USPS-FY21-17," folder "FY21.17.Annual.Report," file "FY 2021 Annual Report to Congress.pdf," at 27.

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Consistent with prior Annual Reports to Congress, the FY 2021 Annual Report drew on the Postal Service's Address Management System (AMS) in providing the numbers for CPUs, VPOs and CPOs.³ Consistent with the Postal Service's Responses to Questions 5-7 of Chairman's Information Request No. 1 in the FY 2020 Annual Compliance Report Docket, the numbers in the FY 2021 Annual Compliance Report were drawn from the Postal Service's Contact Post Unit Technology system (CPUT).⁴ AMS relies on field staff to identify, classify, and (where appropriate) deactivate CPUs, CPOs and VPOs. CPUT records all contracts for CPUs, CPOs and VPOs, and is updated to reflect the closing and opening of such contracts. In addition, the FY 2021 Annual Report to Congress lists the number of Post Offices as 26,362, but further review has determined that total includes one "phantom" post office, and the correct total of 26,361 is shown above (as presented in the FY 2021 Annual Compliance Report). A spreadsheet line entry error occurred in conjunction with an Office suspension, creating an extra row which was erroneously counted.

³ FY 2021 Annual Report at 27.

⁴ Docket No. ACR2020, Responses of the United States Postal Service to Questions 5-7 of Chairman's Information Request No. 1 (January 19, 2021).

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7. The Postal Service states, "Average wait time in line increased at the national level from 2 minutes 26 seconds in FY 2020, to 2 minutes 48 seconds in FY 2021." FY 2021 ACR at 78. Please explain why wait time in line increased in FY 2021.

RESPONSE:

Several factors contributed to the increased wait time in line, including the following:

- FY 2021 saw an increase of 3 percent in non-revenue packages and drop offs.
- FY 2021 saw an increase of 1.95 percent in Walk in Revenue.
- FY 2021 saw a significant increase in passport services. There were in fact 1,846,207 more passport applications accepted than in the previous year—an increase of approximately 42 percent. The Postal Service's time studies have shown each passport application to have an average transactional time of 12:59 minutes. Such an uptick in passport applications would therefore naturally affect average window transaction time.
- The COVID-19 pandemic continued to impact employee availability.⁵

⁵ See Docket No. ACR2020, *Annual Compliance Determination*, March 29, 2021 at 26 ("[The Public Representative] states that the increased wait time in line was most likely due to the pandemic, which he assumes will continue to increase wait time in line during FY 2021"); Docket No. ACR2021, December 29, 2021, at 1, 61.

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8. Please submit the most recent version of Handbook PO-101, Postal Service-Operated Retail Facilities Discontinuance Guide.

RESPONSE:

The most recent version is still that provided in last year's ACR proceeding in response to Question 13 of ChIR No. 3 (January 22, 2021), included as a pdf file that was part of the zip file attached to that set of responses.

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9. In Library Reference USPS-FY21-3, December 29, 2021, Excel file "FY21.3 Worksharing Tables.xlsx," tab "Passthrough Outside County," there are 19 passthroughs calculated for Outside County Periodicals.
- a. Please confirm that 1 of the 19 passthroughs is above 100 percent.
 - b. Please confirm that 4 of the 19 passthroughs fall between 85 percent and 100 percent.
 - c. Please confirm that 14 of the 19 passthroughs are below 85 percent.
 - d. If question 9.c. is confirmed, please provide an explanation and describe future steps the Postal Service plans to take to remedy these passthroughs that are below 85 percent.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Due to increases in avoided costs in FY 2021, 14 passthroughs in Outside County Periodicals fell below 85 percent. At the time the R2021-2 prices went into effect, 13 Outside County Periodical passthroughs were between 85 percent and 100 percent, and one passthrough below 85 percent received a 20 percent increase in its discount. See chart below. In the next Market Dominant price change, the Postal service intends to ensure that passthroughs are compliant.

It should be noted that while, as a technical matter, the "compliance" of any given passthrough percentage may change between a price case and the subsequent annual compliance report (ACR) (because cost-avoidance data can and do

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change over that period), the sole opportunity for Postal Service to actually comply or not comply with the workshare rules is when it sets prices. Thus, with the respect to the future steps referenced in the question, the Postal Service would reiterate that it intends to set compliant passthroughs in its next price case or, where appropriate, seek a waiver.

It will of course be impossible for the Postal Service to ensure that all of those passthroughs remain compliant through the next Annual Compliance Review, given the volatility of avoided costs. Hence detailed examinations of passthroughs at the time of the ACR are of more limited oversight value than they are when the Commission is reviewing price changes.

Type of Workshare	Passthroughs	
	R2021-2 Price, FY2020 Costs	R2021-2 Price, FY2021 Costs
Outside County		
Presorting (dollars / piece)		
Machinable Nonautomation ADC Flats	85.9%	71.3%
Machinable Nonautomation 3D/SCF Flats	96.4%	101.9%
Machinable Nonautomation 5D Flats	85.6%	68.0%
CR Basic	85.9%	68.0%
High Density	91.7%	91.7%
Saturation	43.9%	40.0%
 Machinable Automation ADC Flats	 87.1%	 72.0%
Machinable Automation 3D/SCF Flats	87.0%	93.0%
Machinable Automation 5D Flats	86.0%	68.0%
 Nonmachinable Nonauto ADC Flats	 85.7%	 73.4%
Nonmachinable Nonauto 3D/SCF Flats	85.5%	74.6%

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Nonmachinable Nonauto 5D Flats	87.0%	75.0%
Nonmachinable Automation ADC Flats	87.3%	75.3%
Nonmachinable Automation 3D/SCF Flats	85.4%	73.2%
Nonmachinable Automation 5D Flats	85.3%	73.7%
Pre-barcoding (dollars / piece)		
Machinable Automation MADC Flats	85.7%	76.1%
Nonmachinable Automation MADC Flats	N/A	N/A
Presorting Automation Letters (dollars/piece)		
ADC Automation Letter	86.4%	90.5%
3-Digit Automation Letter	100.0%	71.4%
5-Digit Automation Letter	85.7%	85.7%

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- 10.** In Library Reference USPS-FY21-3, Excel file "FY21.3 Worksharing Tables.xlsx," tab "Passthroughs_WC," there are 11 passthroughs calculated for Within County Periodicals.
- a. Please confirm that all 11 passthroughs are below 85 percent.
 - b. If question 10.a. is confirmed, please provide an explanation and describe future steps the Postal Service plans to take to remedy these passthroughs that are below 85 percent.

RESPONSE:

- a. Confirmed.
- b. The Postal Service continues to take steps to ensure that all passthroughs are compliant. However, because Within County Periodicals has low passthrough percentages and the Postal Service wishes to avoid massive rate shocks to mailers, making these passthrough percentages compliant by raising them to between 85 and 100 percent is necessarily an incremental process. In R2021-2, all Within County passthroughs received a minimum 20 percent increase in the discount, which did move Within County closer to having all passthroughs between 85 and 100 percent.

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- 11.** 39 C.F.R. § 3030.102(b) requires that the Postal Service “file a current Schedule for Regular and Predictable Rate Adjustments annually with the Commission at the time of filing the Postal Service’s section 3652 report.” 39 C.F.R. § 3030.102(b).
- a. Please confirm that the required Schedule for Regular and Predictable Rate Adjustments was not filed “at the time of filing the Postal Service’s section 3652 report” and provide a Schedule for Regular and Predictable Rate Adjustments meeting the requirements of 39 C.F.R. § 3030.102(a).
 - b. If question 11.a. is not confirmed, please explain.

RESPONSE:

- a. Confirmed; a Schedule for Regular and Predictable Rate Adjustments was not filed along with the section 3652 report. The Postal Service filed an updated Schedule with the Commission on January 11, 2022.
- b. Not applicable.

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- 12.** Please refer to Library Reference USPS-FY21-3, Excel file "FY21.3 Worksharing Tables.xlsx," tab "Marketing Mail Letters." Please also refer to Docket No. ACR2020, Library Reference USPS-FY20-3, December 29, 2020, Excel file "FY20.3 Worksharing Tables.xlsx," tab "Marketing Mail Letters."
- a. Please confirm the following three discounts are present in Library Reference USPS-FY20-3 but are absent from Library Reference USPS-FY21-3:
 - i. Non-automation ADC Non-machinable Letters
 - ii. Non-automation 3-digit Non-machinable Letters
 - iii. Non-automation 5-digit Non-machinable Letters
 - b. If question 12.a. is confirmed, please explain and provide an updated version of Library Reference USPS-FY21-3 as necessary.
 - c. If question 12.a. is not confirmed, please specify where the identified discounts in question 12.a.i. through 12.a.iii. were reported.

RESPONSE:

- a. Confirmed.
- b. In Docket No. R2021-1, the Commission approved the Postal Service's request to move lightweight Non-automation Non-Machinable letter-shaped mail pieces to the Flats product and adjust billing determinants accordingly. See, Docket No. R2021-1 United States Postal Service Notice of Market Dominant Price Change (Oct. 9, 2020), at 14-15; Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes (Nov. 11, 2020), at 20-21 (Order No. 5757); MCS § 1225.4. No updated USPS-FY21-3 is, therefore, necessary.

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- c. The discounts in question 12.a.i through 12.a.iii are now included in the discounts for Non-Automation Flats, USPS-FY21-3, Tab "Marketing Mail Flats Prst Prebcd," Rows 17 – 19.

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- 13.** The Postal Service states that “[a]s it did in the last half of FY 2020, high levels of employee absenteeism due to the COVID-19 pandemic negatively affected the Postal Service’s ability to staff its operations appropriately to support on-time service performance.” FY 2021 ACR at 50.
- a. Please explain in detail how reduced employee availability due to COVID-19 impacted on-time service performance results for Market Dominant products nationwide during FY 2021. In the response, please explain how reduced employee availability due to COVID-19 concentrated in one facility and/or concentrated on a particular processing operation impacted on-time service performance at other facilities and/or downstream processing operations.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - c. Please identify any efforts made by the Postal Service to mitigate the impacts identified in response to part a of this question and explain in detail how these efforts impacted on-time service performance results for Market Dominant products during FY 2021.
 - d. For each impact identified in response to part c. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - e. Please explain in detail how the Postal Service plans to mitigate the impact of reduced employee availability due to COVID-19 on service performance for Market Dominant products in FY 2022.
 - f. Please discuss the impact that any plans identified in response to part e. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - g. Please explain how the Postal Service plans to monitor the efficacy of its plans identified in response to part e. of this question during FY 2022 and identify the metric(s) that will be used.

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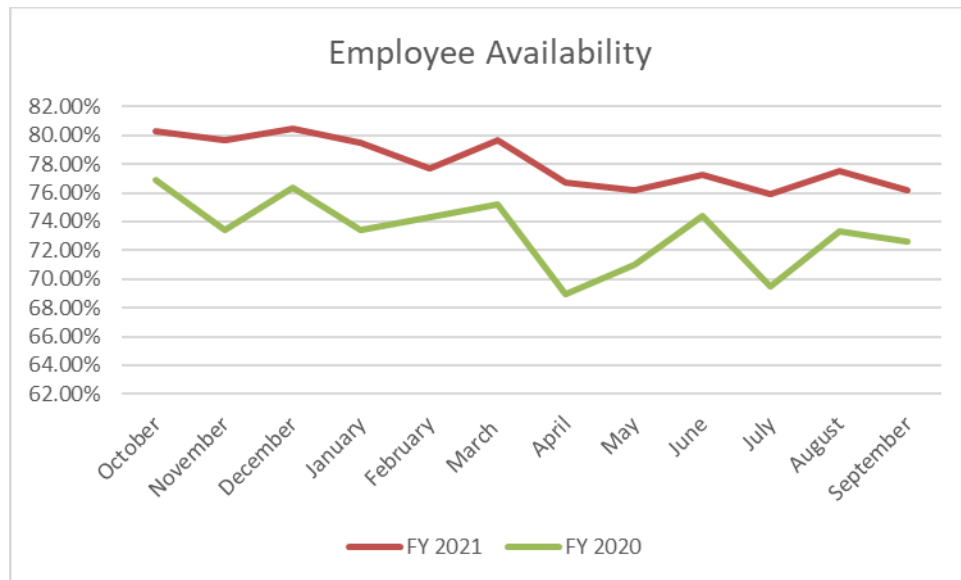
RESPONSE:

- a. The COVID-19 pandemic reduced employee availability nationally and in numerous pockets of hot spots at different times. Insufficient staffing led to difficulty in processing, transporting, and delivering the same amount of volume in the same amount of time as compared with normal employee availability levels; this can result in late processing and delivery.

One geographic “hot spot” can impact service performance in downstream operations and in other facilities. For example, if site A does not have sufficient resources to clear the mail, it could delay mail destined for sites B, C, D, etc., which impacts service performance. In addition, service performance can also be impacted if there are not sufficient resources for completing Last Mile delivery due to lack of carrier availability in particular geographic areas.

- b. While the COVID-19 pandemic continued to impact employee availability in FY 2021, it did so to a lesser degree than in FY 2020 as shown by the chart below. Employee availability was higher in each month of FY 2021 compared to the same period last year.

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- c. The Postal Service worked to stabilize the career workforce by partnering with the American Postal Workers Union and the National Postal Mail Handler Union to increase the number of career employees through a scheduled conversion process. By the end of FY 2021, the total career bargaining unit workforce had increased by more than 25,000 employees, compared to the same period last year. The conversion process began in FY 2021 Quarter 3 and will continue. Marketing Mail, Periodicals, First-Class Mail, and Package Services scores increased in every category in Quarters 3 and 4 compared to Quarters 1 and 2, often significantly, as demonstrated by the chart below.

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USPS Marketing Mail®	Origin / Destination		Origin / Destination		Variance between Quarter IV and Quarter I
	Quarter I	Quarter II	Quarter III	Quarter IV	
	% On-Time	% On-Time	% On-Time	% On-Time	
High Density and Saturation Letters	88.2	91.6	95.6	96.2	8.0
Carrier Route	81.9	82.0	89.6	92.4	10.4
Letters	85.9	86.9	92.2	94.2	8.4
Flats	69.1	66.9	76.9	82.7	13.7
EDDM-Retail	73.6	75.3	76.4	77.3	3.8
Parcels	51.7	48.3	54.1	58.5	6.7
Mixed Product Marketing Letters	77.3	75.8	80.6	83.6	6.3
Mixed Product Marketing Flats	50.1	47.2	60.7	93.6	43.5
Periodicals	Origin / Destination		Origin / Destination		Variance between Quarter IV and Quarter I
	Quarter I	Quarter II	Quarter III	Quarter IV	
	% On-Time	% On-Time	% On-Time	% On-Time	
In-County	69.8	71.5	79.0	82.7	12.9
Outside County	69.5	70.9	78.2	82.2	12.8
Package Services	Origin / Destination		Origin / Destination		Variance between Quarter IV and Quarter I
	Quarter I	Quarter II	Quarter III	Quarter IV	
	% On-Time	% On-Time	% On-Time	% On-Time	
Bound Printed Matter Flats	57.2	59.8	63.9	69.7	12.5
Bound Printed Matter Parcels	97.3	96.6	97.7	98.5	1.2
Media Mail®/Library Mail	74.7	73.8	84.2	86.7	12.0
First-Class Mail®	Origin / Destination				Variance between Quarter IV and Quarter I
	Quarter I	Quarter II	Quarter III	Quarter IV	
	% On-Time	% On-Time	% On-Time	% On-Time	
Single-Piece Letters/Postcards*					
Overnight	N/A	N/A	N/A	N/A	
Two-Day	82	86.7	91.6	91.4	9.4
Three-To-Five-Day	54.8	58.6	74.8	76.1	21.3
Presort Letters/Postcards					
Overnight	91.6	93.1	95.5	94.8	3.2
Two-Day	85	85.1	92.4	92.5	7.5
Three-To-Five-Day	78.3	74	86.2	87.2	8.9

- d. The Postal Service believes increasing the total number of career employees played a significant part in stabilizing the workforce and achieving service improvement in the second half of FY 2021 as described in part c.
- e. The Postal Service plans to continue to monitor employee availability and staffing levels and adjust as needed to ensure adequate staffing to achieve service performance targets for Market Dominant products in FY 2022.

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- f. The Postal Service expects that its efforts to ensure adequate staffing will help sustain the service improvements achieved in the second half of FY 2021 for Market Dominant products into FY 2022.
- g. The Postal Service plans to use employee availability metrics and employee-on-rolls data to monitor staffing. Service Performance Measurement will be used to ensure adequate staffing levels correlate to improved service performance.

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- 14.** The Postal Service attributed increased COVID-19 related absenteeism in FY 2020 to use of family leave, primarily to childcare needs.³ Please identify whether use of family leave was the primary cause of COVID-19 related absenteeism in FY 2021, provide quantitative support for this response, and identify the metric(s) used. If quantitative support is unavailable, please so state, explain why it is unavailable, and provide qualitative analysis to support the response.

RESPONSE:

Except for Emergency Federal Employee Leave (EFEL), which covers leave for COVID-19, the Postal Service does not track leave by COVID-19 reason. The Postal Service used 19,437,137.16 hours FMLA protected leave in FY 2021 across all leave categories (e.g., annual, sick, LWOP). EFEL became effective in March 2021 and continued through the remainder of FY2021. During the period of time EFEL leave was in effect, 10,507,195.05 hours were used for COVID-19 reasons, of that 4,856,897 hours were utilized specifically for Family Leave, representing 46 percent of the total hours used for EFEL leave.

³ United States Postal Service, Office of Inspector General, Report No. 20-275-R21, Mail Service During the Early Stages of the COVID-19 Pandemic, January 4, 2021, at 12, available at <https://www.uspsoig.gov/sites/default/files/document-library-files/2021/20-275-R21.pdf> (OIG Report No. 20-275-R21).

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- 15.** The Postal Service states that “[t]he pandemic also affected air and surface transportation contractors, who are essential to achieving service performance targets” and specifically notes that “Postal Service operations were greatly affected by continued reductions in commercial air lift, as airlines reduced the number of flights, changed schedules, and used smaller airplanes with less capacity for mail and package cargo space.” FY 2021 ACR at 50.
- a. Please explain in detail how these reductions and changes impacted on-time service performance results for Market Dominant products during FY 2021. In the response, please explain how COVID-19 related reductions and changes concentrated in one location impacted on-time service performance at other facilities and/or downstream processing operations.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.

RESPONSE:

- a. Commercial Air Network’s ability to provide service for market dominant products was impacted in FY21 due to the COVID-19 pandemic. It is essential that we fully leverage all of our networks in order to achieve service performance. From the start of FY21, 10/03/2020 through 07/03/2021 our commercial carriers were significantly impacted with reduced flights as a result of COVID-19. A direct impact to this flight reduction is less mail getting assigned to our commercial airlines carriers. CAIR averaged a substantial reduction from the start of the FY through July 3, 2021. Comparing FY21 to FY19, significantly fewer pounds were flown. In particular, when airlines utilize a hub and spoke network, issues in a hub ripple through to many facilities. One major airline using a hub and spoke network was severely impacted

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by COVID-19 in March and April of FY21. More details are provided under seal in USPS-FY21-NP33.

- b. One hub for the major airline discussed in response to part a of this question experienced a 15 percent reduction in flights in the spring of FY21.

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- 16.** The Postal Service states that it attempted to mitigate COVID-19 related transportation issues “by using alternative and additional transportation suppliers.” *Id.*
- a. Please explain in detail how these (and any other) Postal Service efforts to mitigate COVID-19 related contract transportation constraints impacted on-time service performance results for Market Dominant products during FY 2021.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - c. Please explain in detail how the Postal Service plans to mitigate the impact of COVID-19 related contract transportation constraints on service performance for Market Dominant products in FY 2022.
 - d. Please discuss the impact that any plans identified in response to part c. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - e. Please explain how the Postal Service plans to monitor the efficacy of the plans identified in response to part c. of this question during FY 2022 and identify the metric(s) that will be used.

RESPONSE:

- a. The Postal service evaluated existing surface and air routings to develop additional alternative surface routing to move mail products from air to surface routings. We solicited and used additional surface transportation “as need” and “rapid response” contracts to provide support due to omitted service related to contract suppliers affected by COVID-19 and to move mail in excess of normal planned volumes or volumes that needed to be ‘off loaded” to other processing centers to perform required distribution. In terms of impact, in each instance, these actions were taken specifically with the intent and the expectation that

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employing these steps would allow mail to be moved more quickly towards its destination, relative to an alternative scenario in which no such actions were taken. Cumulatively, therefore, these actions, by moving the mail faster than would have been the case in their absence, should have led to improvements in on-time service performance results for Market Dominant products during FY 2021.

- b. The Postal service is not technically capable of tracking piece level data by trip and product at this time. We do, however, track late and omitted service and use the data to address contracted supplier performance. More broadly, however, quantifying the impact of the measures taken would require comparisons with counterfactual “no action taken” scenarios that did not occur. Obviously, those types of comparisons are not feasible. Intuitively, though, measures taken to get mail moving when it is not moving, or to get it to move more quickly than it had been moving, should improve service performance to some unknown degree.
- c. Please see the response to subpart a. of this question.
- d. Please see the response to subpart b. of this question.
- e. The Postal Service created a Supplier Performance Dashboard to be used to track omitted and late service. This tracking encompasses supplier, route and trip level data to identify opportunities for improvement or action. The supplier performance review metrics include on-time performance (both departure and arrival) and omitted service. The review also includes any other contract irregularities cited, which could include safety issues. The Postal service has a

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"5 Step" process to assist contract administrators in addressing performance with contracted suppliers.

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17. The Postal Service states that “[t]he unprecedented level of package volume received during peak season FY 2021 impeded the flow of mail from being processed timely through postal facilities and contributed to poor First-Class Mail and Marketing Mail performance during peak season and subsequent months.” *Id.* at 49.
- a. Please explain in detail how the increase in package volumes impacted on-time service performance results for Market Dominant products during FY 2021.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.

RESPONSE:

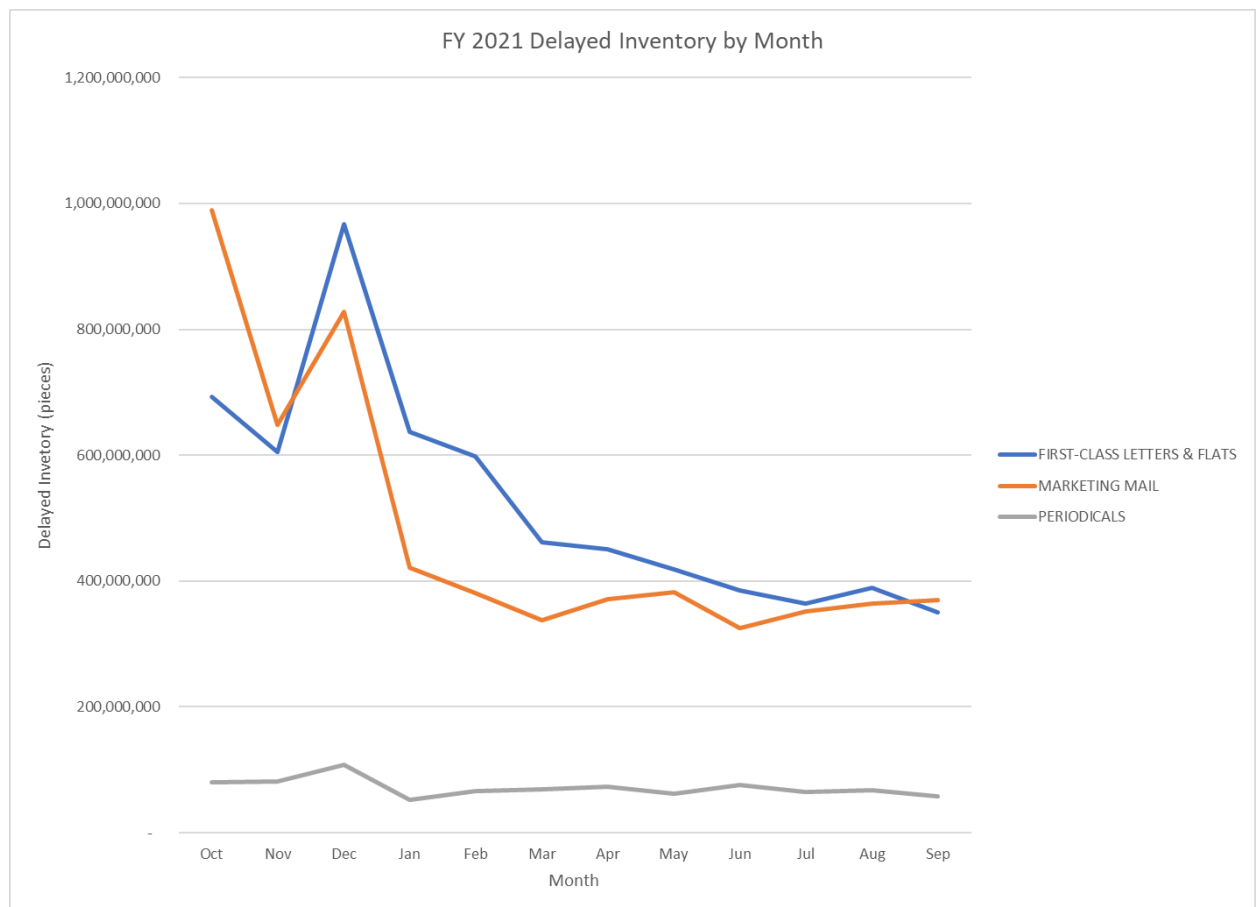
- a. The sudden surge in package volume during peak season FY 2021 severely impacted the fluidity of the postal network. Mail processing facilities lacked the staffing and processing capacity to process and dispatch the increased volumes timely. This created a backlog, in which volumes were inducted faster than they could be processed. The network lacked sufficient space to stage the backlogged volumes, resulting in gridlocked postal facilities. Lack of transportation capacity due to driver shortages and reduced air lift added to the gridlock by forcing facilities to store volumes longer, even after they were processed and ready for dispatch.

While the gridlock was triggered by the increase in package volume, it affected all mail products, including Market Dominant products. Lack of space led to crowded staging areas and longer wait times for drop shipments. Many facilities were unable to maintain First-In-First-Out (FIFO) order, leading to increased cycle time and, by

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extension, diminished service performance. Insufficient staffing and transportation disruptions also affected Market Dominant products.

- b. The chart below illustrates the increase in delayed inventory for Market Dominant products during peak season FY 2021 that resulted from gridlock. A comparable chart filed under seal as part of USPS-FY21-NP33 shows that the general pattern for Competitive products is similar.



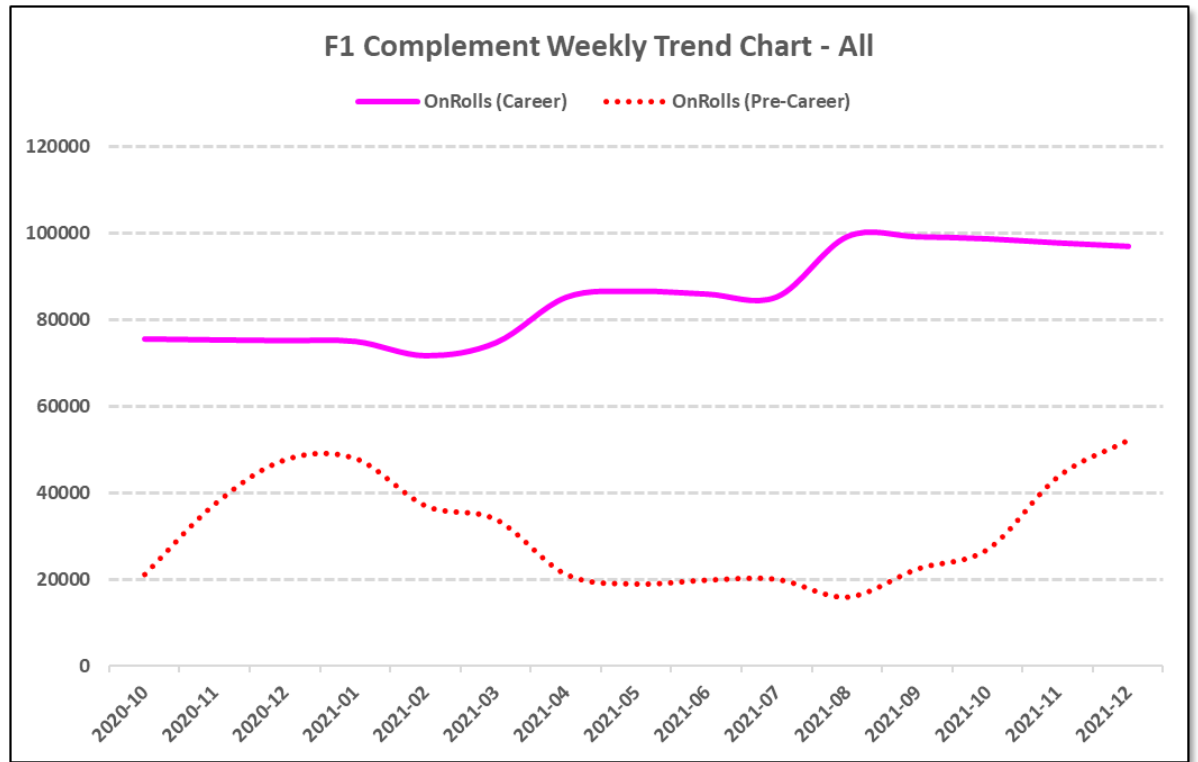
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The chart below illustrates the difference in cycle time in FY 2021 Quarter 1, when Market Dominant products were affected by the package-induced gridlock, compared to FY 2021 Quarter 4.

Mail Class	Cycle Time Category	FY2021-Q1	FY2021-Q2	FY2021-Q3	FY2021-Q4	Variance between Q4 and Q1
Bound Printed Matter	BUNDLE TO PIECE	20.00	40.96	26.09	24.34	4.34
Bound Printed Matter	SV UNLOAD FIRST AUTOMATION	48.54	47.92	37.44	33.87	-14.67
Bound Printed Matter	SV UNLOAD TO BUNDLE	35.60	29.77	24.37	19.86	-15.74
Bound Printed Matter	SV UNLOAD TO TRAY	156.81	157.90	135.95	101.52	-55.29
Bound Printed Matter	TRAY TO NEXT AUTOMATION	91.64	108.43	69.13	73.17	-18.47
First Class Presort	SV UNLOAD FIRST AUTOMATION	53.44	52.61	43.54	42.43	-11.01
First Class Presort	SV UNLOAD TO TRAY	18.07	17.91	14.47	14.06	-4.01
First Class Presort	TRAY TO NEXT AUTOMATION	41.72	40.79	32.32	31.99	-9.73
Periodical	BUNDLE TO PIECE	49.50	54.26	49.40	47.50	-2.00
Periodical	SV UNLOAD FIRST AUTOMATION	40.68	40.16	32.69	30.31	-10.37
Periodical	SV UNLOAD TO BUNDLE	29.56	27.35	21.14	17.97	-11.59
Periodical	SV UNLOAD TO TRAY	22.18	18.44	20.03	17.93	-4.25
Periodical	TRAY TO NEXT AUTOMATION	72.48	76.08	60.31	57.53	-14.95
USPS Marketing Mail	BUNDLE TO PIECE	40.26	49.75	40.43	37.01	-3.25
USPS Marketing Mail	SV UNLOAD FIRST AUTOMATION	56.94	50.80	46.43	42.26	-14.68
USPS Marketing Mail	SV UNLOAD TO BUNDLE	37.91	36.57	28.50	24.12	-13.79
USPS Marketing Mail	SV UNLOAD TO TRAY	24.11	19.10	17.49	15.10	-9.01
USPS Marketing Mail	TRAY TO NEXT AUTOMATION	39.56	38.34	34.53	31.91	-7.65

At the beginning of FY 2021, mail processing complement was approximately 95,000 employees, reaching a height of 125,000 employees during peak season, as illustrated by the chart below. By comparison, mail processing complement reached a baseline of approximately 125,000 by the end of FY 2021, increasing to approximately 150,000 during peak season FY 2022. The markedly improved service performance in the second half of FY 2021 (as described in the response to Question 13 part c.) during periods of increased staffing, compared with the service performance experienced during peak season FY 2021, illustrates a correlation between staffing levels and service performance.

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- 18.** The Postal Service states that in response to this increased package volume, it “took a number of steps to increase [its] peak season capacity for FY 2021, including hiring more workers and deploying peak season annexes to provide additional processing capacity.” *Id.*
- a. Please explain in detail how these (and any other) Postal Service efforts to mitigate the effects of the increased package volume impacted on-time service performance results for Market Dominant products during FY 2021.
 - b. For each impact identified in response to part a. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - c. Please explain in detail how the Postal Service plans to mitigate the impact of COVID-19 related package volumes on service performance for Market Dominant products in FY 2022.
 - d. Please discuss the impact that any plans identified in response to part c. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - e. Please explain how the Postal Service plans to monitor the efficacy of its plans identified in response to part c. of this question during FY 2022 and identify the metric(s) that will be used.

RESPONSE:

- a. Hiring additional employees in the second half of FY 2021 enabled operations to be better staffed, leading to more timely processing and dispatch of mail and, by extension, improved service performance. Staffing was allocated as needed to all operations, including those processing Market Dominant products.

In alignment with the Delivering for America plan, the Postal Service acquired 46 long-term Package Support Annexes (PSAs), in addition to its annual peak season annexes, to increase the total space available to handle increased package

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volumes. The shift of package volume from parent mail processing facilities to PSAs made additional space available at the parent facilities for Market Dominant products. The additional space allowed for more efficient management of mail volumes, including the timely unloading of drop shipments and the ability to maintain FIFO order. Those improvements contributed to the improvement in service performance for Market Dominant products during the second half of FY 2021, as illustrated in the response to Question 13 part c.

Additional package/bundle processing machines were deployed in the second half of FY 2021, contributing directly to the service improvement of Competitive products by processing more packages in a given time frame. The added package/bundle machines also made more efficient use of employee workhours by processing packages at a much faster rate than manual processing. This increased efficiency allowed workhours to be reallocated for other purposes, such as staffing Market Dominant processing operations, which may have had an indirect effect on service improvement. The addition of package/bundle processing machines also increased bundle processing capacity, which may have contributed to improved service performance for Market Dominant products.

- b. Please refer to the discussion of employee complement in the response to Question 17 part b. The Postal Service believes increasing the total number of employees played a significant part in stabilizing the workforce and achieving service

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improvement in the second half of FY 2021 as described in the response to Question 13 part c.

The PSAs acquired by the Postal Service added 7,541,153 additional square feet of space. The Postal Service believes increasing total square footage improved the fluidity of the network and the management of FIFO order, leading to improved service performance in the second half of FY 2021.

The Postal Service added over 100 package/bundle machines beginning in the second half of FY 2021, increasing package processing capacity from approximately 37 million pieces per day to 42 million pieces per day. The Postal Service believes increased package capacity allows packages to be processed more efficiently and frees employees to staff other operations. Increased staffing in Market Dominant operations is believed to be correlated with improved service performance as discussed above.

- c. The Postal Service will continue to assess staffing and equipment needs. The Postal Service also plans to realign the facility footprint and processing capacity to match the changing mix of mail and packages, as outlined in the Delivering for America plan. The Postal Service plans to reevaluate mail flows and identify opportunities for simplification.
- d. The Postal Service expects that its continued efforts to right-size staffing and equipment will sustain service performance improvements. The Postal Service

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expects the realignment of the network to increase efficiency and service performance by better aligning mail products with facilities.

- e. The Postal Service plans to monitor staffing using employee availability and employee on-rolls data. The Postal Service will assess equipment needs by using machine utilization, delayed inventory data, and Service Performance Measurement. The Postal Service will monitor the efficacy of network redesign by evaluating its effects on Service Performance Measurement.

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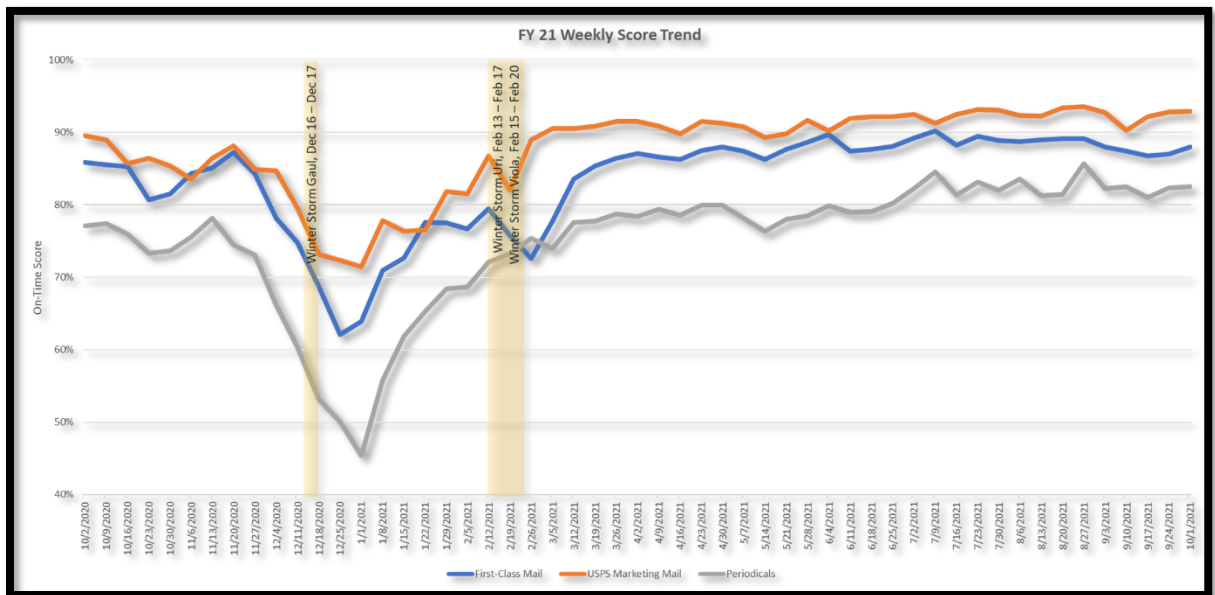
- 19.** The Postal Service states that service performance in FY 2021 was negatively affected by network disruptions caused by natural disasters and extreme weather events. *Id.* at 49-50.
- a. Please identify and describe all such network disruptions impacting service performance in FY 2021.
 - b. For each network disruption listed in response to question a.:
 - i. Please provide a detailed description of the event, including the timing of the event and the geographic area affected.
 - ii. Please explain how such event disrupted the Postal Service's network (*i.e.*, which processing phases were impacted and how they were impacted).
 - iii. Please identify the impact that such event had on the Postal Service's service performance in FY 2021. For each impact identified, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - c. Please identify any Postal Service efforts to mitigate the effects of natural disasters and weather events on service performance for Market Dominant products during FY 2021 and explain in detail how these efforts impacted on-time service performance results.
 - d. For each impact identified in response to part c. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - e. Please explain in detail how the Postal Service plans to mitigate the impact of natural disasters and weather events on service performance for Market Dominant products in FY 2022.
 - f. Please discuss the impact that any plans identified in response to part e. of this question are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - g. Please explain how the Postal Service plans to monitor the efficacy of its plans identified in response to part e. of this question during FY 2022 and identify the metric(s) that will be used.

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RESPONSE:

- a. Operational disruptions can occur with or without notice on an almost daily basis. These disruptions can, on occasion, impact the Postal Service's primary mission of delivering the nation's mail. As indicated on page 50 of the ACR, service performance was very likely impacted by several weather events in FY 2021, including Winter Storm Gail in December 2020 and Winter Storms Uri and Viola in February 2021.
- b.
 - i. Detailed records of service disruptions are available at <https://view.officeapps.live.com/>.
 - ii. Detailed records of service disruptions are available at <https://view.officeapps.live.com/>.
 - iii. The Postal Service is unable to determine exact impacts to service scores caused by the events identified, but the trend chart below depicts weekly service trends for Market Dominant products for FY 2021 and when the events noted in the above response to Question 19.a. occurred.

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- c. Continuity of Operations (COOP) planning has become a necessary and required process. The mail processing COOP plan focuses on the facility's ability to process mail during emergencies. The plan is a deliberate and preplanned movement of mail to an alternate facility to enable the continuation of essential mail processing functions. The plan includes the preparation of alternate reporting sites for employees, identified offload sites for mail processing by mail type, and specific procedures to be followed so that critical mail processing operations can be maintained in the event of any emergency, or threat of an emergency. Although the Postal Service has plans in place for emergency situations, there are so many moving parts that virtually every phase of mail processing can be impacted during an emergency.

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- d. The Postal Service is unable to determine exact impacts to service scores caused by the events identified.
- e. The Postal Service aims to ensure the safety of all employees and the public, protection of postal assets, and security of the mail. The Postal Service's Corporate Energy Interface Resiliency Tool provides information to ensure the protection of Postal Service employees and assets in anticipation of disastrous weather events. Facilities can be searched by address to access information about whether the facility is susceptible to sea level rise, flooding, and storm surge. Additionally, the tool provides data on facility assets, such as the number and type of equipment, number and type of vehicles, and the number of employees. This information provides critical planning information for operations in advance of a dangerous or disastrous weather pattern. Operations can use the data to determine if equipment needs to be removed or precautions put in place to minimize loss. This effort should also minimize service performance impacts from unforeseen events.
- f. The plans identified are expected to minimize the length of time in disruptions to Operations and ensure the safety of our people and our resources.
- g. An After-Actions meeting is held with cross functional managers at the local and national level, depending on the extent and impact of the disruption. The meeting examines the action(s) taken during the disruption and determines potential changes to improve any process(es) moving forward.

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- 20.** The Postal Service states that, as part of its 10-Year Strategic Plan, it intends to improve service performance by improving its transportation network and “modernizing and investing in critical resources to include additional employees, expanded space capacity, state-of-the-art equipment, and additional logistics capability.” *Id.* at 53-54.
- a. Please discuss the impact that each of the strategies identified above are expected to have on the FY 2022 on-time service performance results for Market Dominant products.
 - b. Please explain how the Postal Service plans to monitor the efficacy of its strategies identified in response to part a. of this question during FY 2022 and identify the metric(s) that will be used.

RESPONSE:

- a.
 - i. Additional employees will allow mail processing equipment to be fully staffed and operate more efficiently.
 - ii. Expanded space capacity will alleviate gridlock within facilities, allowing for the efficient flow of mail throughout the processing operations and diminish opportunities for mail to fall out of First In First Out (FIFO) order.
 - iii. State-of-the-art equipment will provide opportunities to improve efficiencies in processing, keeping mail processing facilities current with processing operations.
 - iv. Additional logistics capabilities will permit mail and package products to be transported more efficiently at a favorable cost structure while maintaining service responsiveness within newly established service standards.
- b. The Postal Service will monitor efficacy of strategies through management oversight, key performance indicators including but not limited to Operating Plan Precision,

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Delayed Inventories, Trips on Time, Surface Trip Utilization, Air Network Utilization, and Employee availability, as well as cross functional coordination.

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21. Please provide a table containing the nationwide volume of:
- a. political mail that the Postal Service delivered in each month of FY 2021.
 - b. election mail that the Postal Service delivered in each month of FY 2021.

RESPONSE:

- a. Political mail volume by month for FY 2021.

Last Scan Month	Political Mail Volume
10/2020	2,131,550,610
11/2020	78,902,974
12/2020	178,138,127
1/2021	30,938,790
2/2021	19,636,599
3/2021	32,416,745
4/2021	40,468,758
5/2021	51,659,773
6/2021	61,288,255
7/2021	32,179,749
8/2021	45,896,991
9/2021	56,897,683

- b. Election mail volume by month for FY 2021. Election mail volume also includes the outbound ballots and inbound ballots.

Last Scan Month	Election Mail Volume
10/2020	141,492,831
11/2020	2,522,801
12/2020	2,357,429
1/2021	6,341,150
2/2021	6,323,678
3/2021	5,893,626
4/2021	9,063,548
5/2021	6,081,588
6/2021	3,390,548
7/2021	9,496,980
8/2021	68,634,587
9/2021	10,627,072

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- 22.** Please provide the volume and percent of Market Dominant mail measured by Full-Service Intelligent Mail Barcode (IMb) in FY 2021 disaggregated by mail class (e.g., First-Class Mail, USPS Marketing Mail, Periodicals, and Package Services). Please present results disaggregated by fiscal quarter and the total for the fiscal year.

RESPONSE:

Volume of Market Dominant mail in service performance measurement.

Mail Class	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year
Presort First-Class Mail	5,938,931,436	5,956,379,618	5,189,536,339	5,023,038,796	22,107,886,189
USPS Marketing Mail	12,438,378,002	9,926,621,990	10,041,434,077	10,319,933,205	42,726,367,274
Periodicals	499,573,965	513,099,400	454,414,099	407,965,533	1,875,052,997
Package Services	8,490,973	9,358,280	6,630,306	5,152,193	29,631,752

Percentage of Market Dominant mail in service performance measurement.

Mail Class	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year
Presort First-Class Mail	70.25%	67.90%	62.86%	62.86%	66.05%
USPS Marketing Mail	75.82%	83.51%	79.06%	75.77%	78.23%
Periodicals	69.29%	75.11%	62.71%	62.37%	67.38%
Package Services	27.22%	32.15%	25.30%	20.00%	26.39%

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23. Please provide the information requested in the following table for FY 2021:

Product	Percentage of Mail in Measurement	Percentage of Mail entered at Full-Service IMb prices and included in measurement	Percentage of Mail Processed as Full-Service IMb, but excluded from measurement
First-Class Mail			
Presorted Letters/Postcards			
Flats			
USPS Marketing Mail			
High Density and Saturation Letters			
High Density and Saturation Flats/Parcels			
Carrier Route			
Letters			
Flats			
EDDM-Retail			
Parcels			
Total USPS Marketing Mail			
Periodicals			
In-County			
Outside County			
Package Services			
Bound Printed Matter Flats			
N/A = Not Applicable			
Not Available = The Postal Service does not have this information available.			

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RESPONSE:

Product	Percentage of Mail in Measurement	Percentage of Mail entered at Full-Service IMb prices and included in measurement	Percentage of Mail Processed as Full-Service IMb, but excluded from measurement
First-Class Mail			
Presorted Letters/Postcards	61.21%	66.10%	33.90%
Flats	54.33%	62.20%	37.80%
USPS Marketing Mail			
High Density and Saturation Letters	77.11%	79.63%	20.37%
High Density and Saturation Flats/Parcels	36.62%	53.68%	46.32%
Carrier Route	66.73%	72.62%	27.38%
Letters	76.06%	80.47%	19.53%
Flats	63.15%	71.49%	28.51%
EDDM-Retail	61.65%	N/A	N/A
Parcels	66.60%	Not Available	Not Available
Total USPS Marketing Mail	68.83%	78.23%	21.77%
Periodicals			
In-County	10.96%	Not Available	Not Available
Outside County	56.50%	Not Available	Not Available
Package Services			
Bound Printed Matter Flats	16.33%	26.39%	73.61%
N/A = Not Applicable			
Not Available = The Postal Service does not have this information available.			

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- 24.** The following subparts pertain to the Postal Service's FY 2021 service performance targets for Market Dominant products.
- a. Please explain the rationale for changing service performance targets for Market Dominant products from FY 2020 to FY 2021.
 - b. Please identify and explain the criteria, data, and methodology used to develop the FY 2021 service performance targets for Market Dominant products.

RESPONSE:

- a. Postal Service operations, under the operational environment, were not process capable of meeting the Market Dominant product targets for FY 2020. The Market Dominant product composite was a new metric established by the Postal Service in FY 2021. Although the Postal Service provided performance numbers for prior periods, this was merely to satisfy reporting requirements, as the metric did not exist and was not measured in FY 2020 and prior periods. Prior reporting data were utilized to compile what the performance scores would have been had the metric existed. Historically the Postal Service has been unable to meet service targets for Market Dominant products. Repeatedly, regulators have requested the Postal Service establish realistic targets instead of what were determined to be aspirational.
- b. The underlying data used were sourced from official measurement systems for market dominant products. These data include performance for volume that is in service performance measurement broken out by month, mail class, mail shape, service standards, transportation mode, and entry type. These data were used by the Postal Service to assess the service performance levels for different

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products. When the standards were established, part of the fiscal year had already occurred, so actual performance data were used where available. The remainder of the fiscal year was forecast from those actual base performance numbers, utilizing historical performance and applying an operational performance improvement factor predicated on known network and operational changes. Factors such as the ongoing COVID pandemic were unknowns. At the time of the targets were set, COVID impacts appeared to be declining, so improving employee availability was factored in.

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- 25.** The following subparts pertain to the Postal Service's FY 2022 service performance targets for Market Dominant products.
- a. The Postal Service states that its 10-Year Strategic Plan "is designed to achieve...service excellence, defined as meeting or exceeding 95 percent on-time delivery across all product categories." FY 2021 ACR at 53, 56. However, the Postal Service states that until the 10-Year Strategic Plan is fully implemented, the Postal Service will set interim service performance targets. *Id.* at 56.
 - i. Please explain the rationale for using interim service performance targets.
 - ii. Please identify the interim FY 2022 service performance targets for Market Dominant products.
 - iii. Please identify and explain the criteria, data, and methodology used to develop the interim FY 2022 service performance targets for Market Dominant products.
 - iv. Does the Postal Service expect on-time service performance for each Market Dominant product to meet or exceed the applicable interim service performance targets in FY 2022?
 - 1. If the answer is yes, please explain how the Postal Service will ensure that the interim service performance targets are met.
 - 2. If the answer is no for any products, please explain the basis for the Postal Service's answer.

RESPONSE:

- a.
 - i. The Postal Service indicated in the 10-Year Strategic Plan that the service standards in place at that time were unattainable, based on current operational conditions and constraints. Further, the Postal Service has indicated full implementation of the 10-Year Strategic Plan will enable the Postal Service to achieve service excellence by meeting or exceeding 95 percent on-time delivery. The 10-Year Strategic Plan is a multi-faceted

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plan which includes many phases of implementation. While implementation has begun, until full implementation is reached, achievement of service excellence will not be possible on a consistent and reliable basis. While the Postal Service may achieve 95 percent on-time performance for a particular product for some period during the interim, these would be exceptions and not long term sustainable within the remaining implementations. To use a race car analogy, partial implementation of the 10-Year Strategic Plan would be like changing the tires without tuning up the engine. The tires will enable better traction and produce some better results, maybe even short-term attainment of target, but without the tune-up, performance would likely fall short of target on a consistent basis.

- ii. FY 2022 service performance targets for Market Dominant products.

Product / Class	Target
Single-Piece First-Class Mail	
Two-Day	90.25
Three-to-Five Day	90.00
Presort First-Class Mail	
Overnight	94.75
Two-Day	93.00
Three-to-Five Day	90.50
First-Class Mail Letter and Flat Composite (FCLF)	91.00
Marketing Mail and Periodicals Composite	91.50
Market Dominant Composite	91.25

- iii. The underlying data used were sourced from official measurement systems for market dominant products. These data include performance

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for volume that is in service performance measurement broken out by month, mail class, mail shape, service standards, transportation mode, and entry type. These data were used by the Postal Service to assess the service performance levels for different products. The fiscal year was forecast utilizing historical performance and applying an operational performance improvement factor predicated on known network and operational changes. Factors such as the ongoing COVID pandemic were unknowns. At the time targets were set, COVID impacts appeared to be declining. Consequently, improving employee availability was assumed, but the subsequent appearance of the Omicron variant was not anticipated. The substantial impacts of that variant on employee and contractor availability, as well as air and surface network cancellations, could not be factored into the exercise.

iv. At this time, Yes.

1. The Postal Service will monitor efficacy of strategies to achieve the service targets through management oversight, key performance indicators, and cross functional coordination.
2. N/A

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- 26.** Please confirm that going forward, the Postal Service will provide to the Commission quarterly and annual service performance results using the new Region/Division structure as well as continue reporting using the legacy Area/District structure (as required by 39 C.F.R. part 3055).⁴ If not confirmed, please state when the Postal Service expects to file a petition with sufficient supporting justification to seek relief from the requirements of 39 C.F.R. part 3055 for future service performance measurement data reports. See Order No. 5844 at 2.

RESPONSE:

Not confirmed. The Postal Service appreciates that revisions to the regulations are in order due to the organizational structure changes, but has not yet decided the optimal approach to propose going forward. Once such a decision is made, the Postal Service will submit a petition for review to the Commission for its consideration

⁴ See Order Granting Extension of Time and Providing Additional Instruction Regarding Future Reports, March 8, 2021, at 2 (Order No. 5844), available at <https://www.prc.gov/docs/116/116257/Order%20No.%205844.pdf>.

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- 27.** The Postal Service previously explained that it has been forced to absorb additional volume offloaded by private companies, including during the holiday mailing season in FY 2021, Quarter 1.⁵ Please identify how much volume was offloaded from private companies and absorbed by the Postal Service for delivery in FY 2021, disaggregated by month.

RESPONSE:

The volume was not tracked. Private companies are not required to provide volume details to differentiate mail that is “off load” volume verses mail that was previously planned for induction into the postal service mail stream. We do not have specific information related to this request.

⁵ See Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-11 of Chairman's Information Request No. 15, February 18, 2021, question 10.a; see *also* FY 2021 ACR at 49-50.

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- 28.** In its audit report titled "Trips Operating More than Four Hours Late," the Office of the Inspector General observed that the Postal Service determined whether critically late trips (CLTs) were caused by suppliers, Postal Service processing issues, or events outside both parties' control (such as inclement weather) for the audited period.⁶
- a. Please provide the total number of CLTs, disaggregated by cause, for FY 2020 and FY 2021, disaggregated by month. Please include in this determination the criteria used by the Postal Service to assign a late reason code to a given delay.
 - b. Please identify the initiatives used by the Postal Service to remedy or mitigate each category of causes of CLTs.

RESPONSE:

- a. Please see the Excel file that accompanies this response. The reason code is determined by assigned platform personnel during operations. At the time a trip is determined to be late, these employees select from a menu and enter into the Surface Visibility System a reason code for the cause of the late departure. Personal observations and information from the supplier operating the trip may be used to make this determination.
- b. Primary countermeasures implemented:

For categories related to Postal Service processing shortfalls:

- Hired approximately 25,000 processing and distribution employees.
- Acquired 46 package processing centers.
- Purchasing and installing 122 package sorting machines.

⁶ See United States Postal Service, Office of Inspector General, Report No. 21-116-R22, Trips Operating More than Four Hours Late, November 8, 2021, at 1, available at <https://www.uspsoig.gov/sites/default/files/document-library-files/2021/20-275-R21.pdf> (OIG Report No. 21-116-R22).

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- Implemented 6 contracted Surface Transfer Centers.

For categories related to contractor deficiencies:

- The Postal Service continues to nationally utilize the “5 Step” process to address poor performing contract suppliers.

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- 29.** In its Annual Compliance Determination,⁷ to address CLTs, the Commission recommended that the Postal Service develop a metric to “isolate delays specific to moving mail between processing facilities” and “monitor and ensure that Administrative Officials adhere to the established process of taking progressive corrective actions against an underperforming supplier and document such actions as they occur.”
- a. Please identify, within the Postal Service's new internal organization, which department(s) are responsible for monitoring/ensuring Administrative Officials follow the established process.
 - b. Please confirm that the Postal Service reissued the management directive concerning Administrative Officials to all personnel responsible for ensuring that Administrative Officials follow the established process.
 - i. If confirmed, please state when the directive was reissued and whether all Administrative Officials received the directive and certified.
 - ii. If not confirmed, when is this expected to occur and who is expected to recertify?
 - c. Please identify whether any changes were made to the annual Administrative Officials accountability certification.
 - i. If yes, when did these changes occur and did all Administrative Officials receive the updated certification?
 - ii. If no, who is expected to receive the accountability certification and when will it be issued?
 - d. Please describe any progress made on evaluating the feasibility of including liquidated damages contract clause for suppliers at fault for CLTs. Specifically, please describe what steps have been taken (or are intended to be taken) and when these steps went into effect (or are expected to go into effect).

RESPONSE:

CLTs are quantified by trips and reason codes under supplier performance.

⁷ Docket No. ACR2020, Annual Compliance Determination, March 29, 2021, at 114, 116 (FY 2020 ACD).

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- a. Surface Logistics department with oversight provided by the Regional/Division Logistic Directors are responsible for monitoring and ensuring the Administrative Officials follow established processes.
- b. The directive related to the Administrative Officials following the current established processes has been issued.
 - i. Directive was reissued January 2022 with for all Transportation Managers, Network Specialists, Transportation Supervisors and their designee(s) that are responsible for any of the duties of the local Administrative Official.
 - ii. Mandatory certification is to be completed by the end of January 2022.
- c. No changes were made to the Administrative Officials accountability certification.
 - i. Directive was reissued January 2022 for all Transportation Managers, Network Specialists, Transportation Supervisors and their designee(s) that are responsible for any of the duties of the local Administrative Official.
Mandatory certification is to be completed by the end of January 2022.
 - ii. Not applicable.
- d. The viability continues to be evaluated and has not yet been determined.